

INFLUENCE OF TRANSFER PRICING ON TAX RISK OF BANKING INSTITUTIONS IN UKRAINE

Yarosh Y.V.

Student,

Academic and Research Institute of Business Technologies
"Ukrainian Academy of Banking",
Sumy State University

Savchenko T.H.

Doctor of Economic Sciences, Associate Professor,
Head of Department of Accounting and Taxation,
Academic and Research Institute of Business Technologies
"Ukrainian Academy of Banking",
Sumy State University

This article is devoted to studying the potential risk of transfer pricing to minimize the tax burden of banks in Ukraine. Analysis of domestic and foreign scientific literature, trends in the banking system and tax legislation showed that the issue of transfer pricing in connection with tax risks member banks of multinational groups is relevant and needs further study. The article notes that an effective management of transfer pricing in transactions between financial institutions related to the management to minimize the costs associated with disturbances in the area of tax legislation, can contribute to the avoidance of double taxation and use of tax planning. On the other hand, the government should introduce effective approaches to the transfer price adjustments in inter-economic relations in order to avoid illegal minimize tax payments to the state budget.

The study is based on an approach that provides the consistent implementation of three phases: analysis of the ownership structure of banks in Ukraine; assessment of the tax burden in countries whose owners have a significant share of these banks; determination of a relative activity of banks in the international financial markets.

Analyzed the basic approaches to the determination of transfer prices and their main areas of use for the rising cost and reduced risk of banks.

Based on these indicators, concluded that there is a potential risk of transfer pricing to minimize illegal taxes paid by individual large banks in Ukraine. To avoid these risks, it is needed to improve the national legislation on the transfer pricing.